

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Second Amendment") is made this 21st day of May, 2007 (the "Effective Date"), by and between **HESTER, INC. a/k/a ELDRIDGE, INC.**, a Delaware corporation ("Landlord"), and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic ("Tenant").

WITNESSETH:

WHEREAS, pursuant to that certain Lease Agreement dated June 30, 1998 (the "Original Lease"), Landlord leased to Tenant, and Tenant leased from Landlord, approximately 10,652 rentable square feet of space (the "Original Premises") on the lower level of the building located at 255 Rockville Pike, Rockville, Maryland (the "Building");

WHEREAS, pursuant to that certain First Amendment to Lease dated December 19, 2001 (the "First Amendment"), Landlord and Tenant amended the Original Lease to provide for the demise to Tenant of approximately 2,500 rentable square feet of additional space (the "Expansion Space") on the lower level of the Building, upon the terms and conditions set forth in the First Amendment; and

WHEREAS, Tenant desires to extend the Term until the Extended Lease Expiration Date (hereinafter defined), and Landlord is willing to do so, subject to the terms and conditions set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration and of the mutual agreements hereinafter set forth, it is hereby mutually agreed as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated in this Second Amendment and made a part hereof by this reference.

2. **Definitions.** All capitalized terms used in this Second Amendment shall have the meanings ascribed thereto in the Original Lease, unless otherwise defined herein. As used herein and in the Original Lease, the term "Lease" shall mean the Original Lease, as amended by the First Amendment and this Second Amendment.

3. **Lease Term.** The Lease Term is hereby extended until the Extended Lease Expiration Date. As used herein, the term "Extended Lease Expiration Date" shall have the meaning set forth in the Master Lease Second Amendment (hereinafter defined). As used herein, the term "Master Lease Second Amendment" shall mean that certain Second Amendment to Lease, dated of even date herewith, by and between Landlord and Tenant, pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the Second Additional Premises (as such term is defined in the Master Lease Second Amendment).

4. **Improvements to the Premises.** Tenant shall remain in possession of the Premises in its then "as-is" condition and Landlord shall have no obligation to perform, or pay for, any work, improvements or alterations in or to the Premises in connection with this Second Amendment or otherwise. Tenant shall be responsible for all work, improvements or alterations in the Premises (the "Tenant Improvements") which Tenant desires to undertake. All Tenant Improvements proposed by Tenant shall be subject to Landlord's prior written approval, shall be performed by contractor(s) approved by Landlord and shall be undertaken in strict accordance with the terms and conditions of the Original Lease, including but not limited to the terms and conditions of Section 11 thereof (captioned, "Alterations").

5. **Annual Rent.** Notwithstanding anything to the contrary contained in the Lease, commencing on the Second Additional Premises Rent Commencement Date (as such term is defined in the Master Lease Second Amendment) and thereafter on the first day of each and every calendar month during the Lease Term, Tenant shall pay Landlord Annual Rent for each S.A.P. Lease Year (as such term is defined in the Master Lease Second Amendment) in the following amounts, in equal monthly installments ("Monthly Base Rent"), in advance, as follows:

S.A.P. Lease Year	Annual Rent Per Square Foot	Annual Rent	Monthly Base Rent
1	\$31.97	\$420,469.44	\$35,039.12
2	\$32.93	\$433,095.36	\$36,091.28
3	\$33.92	\$446,115.84	\$37,176.32
4	\$34.93	\$459,399.36	\$38,283.28
5	\$35.98	\$473,208.96	\$39,434.08
6	\$37.06	\$487,413.12	\$40,617.76
7	\$38.17	\$502,011.84	\$41,834.32
8	\$39.32	\$517,136.64	\$43,094.72
9	\$40.50	\$532,656.00	\$44,388.00
10	\$41.71	\$548,569.92	\$45,714.16
11	\$42.97	\$565,193.60	\$47,095.12
12	\$44.25	\$583,141.44	\$48,596.64
13	\$45.58	\$599,468.16	\$49,955.68
14	\$46.95	\$617,486.40	\$51,457.20
15	\$48.36	\$636,030.72	\$53,002.56

Tenant shall pay Landlord Annual Rent pursuant to the terms of this Paragraph 5 in accordance with the terms and conditions of Section 3 of the Original Lease (captioned, "Rent").

6. **Tenant's Pro-Rata Share.** Landlord and Tenant hereby expressly acknowledge and agree that, as of the Second Additional Premises Rent Commencement Date (i) Tenant's "pro-rata share" of increases in Operating Expenses over the Initial Operating Expense Year cost shall be 9.07%, and (ii) Tenant's "pro-rata share" of increases in Real Estate Taxes over the Real Estate Taxes incurred in the Base Year shall be 9.07%.

7. **Tenant's Continuing Obligations.** Between the Effective Date and the date immediately preceding the Second Additional Premises Rent Commencement Date, Tenant shall continue to pay to Landlord: (a) all Annual Rent for the Premises in accordance with the terms and conditions of Section 3 of the Original Lease, as amended by Article II of the First Amendment; (b) Tenant's pro-rata share of increases in Operating Expenses which are attributable to the Premises in accordance with the term and conditions of Section 10 of the Original Lease (captioned, "Operating Expenses; Common Area), as amended by Article III of the First Amendment; and (c) Tenant's pro-rata share of increases in Real Estate Taxes which are attributable to the Premises in accordance with the term and conditions of Section 5 of the Original Lease (captioned, "Real Estate Taxes"), as amended by Article III of the First Amendment.

8. **Parking.**

A. Landlord and Tenant hereby expressly acknowledge and agree that, as of the Second Additional Premises Rent Commencement Date, the chart in Section 9(i) of the Original Lease

setting forth the monthly fee payable by Tenant for use of Tenant's parking contracts shall be deleted and the following shall be inserted in lieu thereof:

Period	Monthly Fee Per Parking Contract	Monthly Fee for 20 Parking Contracts
Second Additional Premises Rent Commencement Date – 6/30/08	\$83.81	\$1,676.20
7/1/08 – 6/30/09	\$86.33	\$1,726.60
7/1/09 – 6/30/10	\$88.92	\$1,778.40
7/1/10 – 6/30/11	\$91.58	\$1,831.60
7/1/11 – 6/30/12	\$94.33	\$1,886.60

B. During the month of January 2012 (or at such earlier time as may be mutually agreeable to Landlord and Tenant), Landlord and Tenant shall meet in order to determine (i) the monthly fee (per parking contract) payable by Tenant for use of Tenant's parking contracts as of July 1, 2012 (the "New Monthly Parking Fee"), which fee shall be based on the then-prevailing parking rates being charged by owners of parking garages which are similar to the Building's parking garage and are located in downtown Rockville, Maryland and (ii) the annual escalation rate of such monthly fee (the "New Monthly Parking Fee Escalation Rate"). If, as of January 31, 2012, Landlord and Tenant have not agreed on the New Monthly Parking Fee and/or the New Monthly Parking Fee Escalation Rate, Landlord and Tenant shall submit any unresolved matter to arbitration by the American Arbitration Association under its then-current expedited arbitration rules and regulations at its office in a neutral location agreed upon by the parties. If the New Monthly Parking Fee has not been determined by July 1, 2012, Tenant shall continue to pay Landlord the parking fee as set forth in Paragraph 8(A), above, provided, however, that once the New Monthly Parking Fee has been determined pursuant to the terms of this Paragraph 8(B), the New Monthly Parking Fee shall be deemed to have been effective as of July 1, 2012 and Tenant shall immediately pay Landlord the difference between the New Monthly Parking Fee and any amounts actually paid by Tenant to Landlord for the period commencing on July 1, 2012 and ending on the date immediately preceding the date on which the New Monthly Parking Fee was determined. Once the New Monthly Parking Fee and the New Monthly Parking Fee Escalation Rate have been determined, Landlord and Tenant shall enter into a lease amendment which sets forth the New Monthly Parking Fee and the New Monthly Parking Fee Escalation Rate. Notwithstanding anything to the contrary contained in this Paragraph 8(B), in no event shall the New Monthly Parking Fee be less than the monthly fee (per parking contract) payable by Tenant for use of Tenant's parking contracts as of June 30, 2012.

9. **Brokers.** Landlord and Tenant each represent and warrant to the other that no broker has been employed in carrying on any negotiations relating to this Second Amendment and shall each indemnify and hold harmless the other from any claim for brokerage or other commission arising from or out of any breach of the foregoing representation and warranty.

10. **Notices.** As of the Effective Date, the Original Lease is hereby amended by deleting the address to which the second copy of any notice to Landlord should be delivered, as such address is set forth in Section 35 of the Original Lease (captioned, "Mailing Notices"), and inserting in lieu thereof, the following:

"with a copy to: Holland & Knight LLP
Three Bethesda Metro Center
Suite 800
Bethesda, Maryland 20814

Attention: William Kominers, Esq."

11. **Counterpart Copies.** This Second Amendment may be executed in two (2) or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Second Amendment.

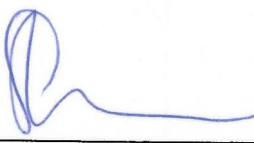
12. **Miscellaneous.** This Second Amendment (a) shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, transferees, successors and assigns and (b) shall be governed by and construed in accordance with the laws of the State of Maryland.

13. **Ratification.** Except as expressly amended by this Second Amendment, all other terms, conditions and provisions of the Lease are hereby ratified and confirmed and shall continue in full force and effect.

[signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Lease Amendment to be properly executed.

WITNESS:

By: 

LANDLORD:

HESTER, INC. a/k/a ELDRIDGE, INC., a
Delaware corporation

By: 

Title:

Date:

Pres
5/16/07

WITNESS:

By: Rebecca S Domaruk

COUNTY:

MONTGOMERY COUNTY,
MARYLAND

By: 

Chief Administrative Officer

Date: 5-21-07

Date: 5/21/2007

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Eileen J. Brennan

Associate County Attorney

Date: 5/16/2007

RECOMMENDED

By: Cynthia Brennan

Cynthia Brenneman, Director
Office of Real Estate

Date: 4/27/07